

From: Barry Goldsmith
To: Doug Jerger
Date: 7/1/05
Subject: [Response to request for information about CGA]

Doug, here's the first shot [in and attachment] at the stream of conscious about CGA's history. There is much more detail if needed just let me know what the next steps and how I can help.

Thanks

Barry

Attachment to Goldsmith email of 7/1/05:

As you know from my previous update email, ...we would very much appreciate your assistance in getting us started. While we would appreciate your on-going interest, at this point, we seek four items of information from you:

1. A brief description of the company – This is not intended to be a history of the company. Rather, we seek just two or three paragraphs which would capture the nature and spirit of the company.

CGA Started in May of 1968 as CGA Computer Associates, inc. and was started to provide “computer consulting” to those companies that used computers. CGA grew into a company offering both professional services and software products to large corporate enterprises. As our 1982 annual report describes. “CGA operations serve businesses throughout the world with quality software products and consulting services...

Our Software products division develops and markets proprietary systems software packages and broad-based line of applications software for small computers. These products are marketed internationally and backed by comprehensive technical support capabilities.

CGA provides custom software and consulting services to help solve the complex information management problems of the companies in diversified industries. Our consultants have completed thousands of projects for a client list of mostly Fortune 1000 companies in insurance, banking, finance, manufacturing, communications, petrochemicals and pharmaceuticals. They provide comprehensive technical expertise and a full range of professional services on a quality level sufficient to earn CGA a 99% rate of repeat customers, a high percentage of referral business and an outstanding reputation for quality.

2. A listing of the 20 most important events in the life of the company – We would appreciate having them related to a date and to have three or four sentences describing each event. *Not sure I can come up with 20 but here goes.*

May 8, 1968. Was the forming of the company. Three employees of RCA's EDP division had been working on starting the company for many months prior and gave official notice and started the company in May of 1968.

August 6, 1969. CGA becomes a public company raising \$600,000. It was these proceeds that kept us in business during some very slow years in the early 70's and also funded the development of some software products that were never really successful. Also this offering created a partnership "squabble" and two of the founding partners left the company prior to this offering.

From 1969 until 1974, being that consulting services was pretty slow we made some acquisitions of other unrelated companies. In May of 1974, we split the company into 2 parts, one contained all the non-computer business and that went with other management and all the computer related businesses stayed in CGA and we began to focus just on professional services. Revenues at that time were slightly in excess of \$1 million.

In 1976 we acquired 2 software products which formed the basis of our software products division and we opened a software development office in Rockville MD.

In March of 1977 we made our first acquisition, PsiTran Corporation, a professional services firm servicing the Federal Government. That acquisition gave us the confidence to grow outside of the New York, New Jersey markets.

November of 1977 we opened a Chicago office. This showed us that to continue our culture we could grow organically as successfully as we could do through acquisitions and spend less money. This was the basis of our strategy to focus on major metropolitan markets and dominate those markets. As part of that we opened many other offices around Washington (Baltimore and Richmond) and around Chicago (2 in Chicago, plus Milwaukee, Minneapolis). We further continued this strategy in Dallas with 2 offices in Dallas and Houston.

During 1979 we were unable to hire enough professionals to staff our engagements so we started our international recruiting effort and successfully recruited from Scotland, England and Canada, fueling growth of greater than 50%.

On February 27, 1981 we acquired Allen Services Corporation, a company much like ours with both software products and professional services. In addition to picking up about \$5 million in consulting service revenue we acquired some very important systems management software products that served as the base to accelerate our software products business. This was accounted for as a pooling of interests transaction in which we issued about 1 million shares of stock.

On April 7, 1981 through Bear Stearns we sold for selling shareholders about 1 million shares to the public. While the company got no proceeds this significantly expanded our float and got investors interested in buying stock. For the decade prior our stock never reached \$2.00 per share; these shares were sold at \$12.50.

In June of 1981 we were notified by the SEC that they questioned our accounting of the Allen Service transaction. For the next 15 months and more than \$1 million later (that was a lot of money then, still is) we settled by agreeing to show results using both the purchase and pooling methods of accounting. This whole affair drove the stock from the high teens down to \$4 per share. This led to the buyout of the company by management taking the company private in November of 1984 and to the eventual sale of the company by early 1986.

The sale of the Company was accomplished in several phases. First the the consulting division with, about 1000 employees and close to 20 offices was sold to the French company Cap Gemini Sogeti and led to CGA becoming the re-named "Cap Gemini America". Revenues at the time were approaching \$50 million. Our software division which contained the Top Secret product (a leading mainframe security product) was sold to Computer Associates and our other datacenter management products were sold to Duquesne Systems. The applications software division was sold to the management of that division. All sales were completed by the spring of 1986.

3. A listing of the names of founders, officers, or of other essential key people of the company – We would also appreciate any contact information which you may have. We would also appreciate their names even if they are no longer with us.

The founders were Barry Goldsmith, John Croxton and Harry Ault. Croxton and Ault left in 1969 and went on to form Auxco a competitor. I believe Ault has died and Croxton has moved to Orlando Florida.

Larry Robinson started as a salesperson in 1971 and later became COO. He left about 1982 and eventually started 2 other prof service firms.

Jack Goldstien was one of our first and most successful salesman. He stayed with CGA for many years and eventually left in the late 80's to join Larry Robinson

Elliot Rosensweig joined us around 1975 and brought an element of project discipline. Elliot served as our VP of tech services for 8 or so years and then left to start a competitor, EJR Consulting.

Bob Sywolski joined us in 1981 first to run our largest branch which was New York and then became president of the software products division and then eventually became president of CGA. Bob joined Cap Gemini after the merger and stayed with them for another 10 years or so. He is now CEO of Blackbaud, a public software company in Charlestown, SC.

Other people that contributed to the growth were the regional managers Chuck Aaron in the midlantic region (I am not sure where chuck is) rich early in the mid west region who then went to Unitech in Chicago and then to DPRC a staffing company in Los Angeles and Ron Ezring who ran the Northeast region.

4. A listing of the names of 20 of the people most significant for the company – Again, we would appreciate their names even if they may no longer be with us. I'll keep thinking about who should be added to the list and see if I can find some phone numbers.....

[content edited for relevancy]

[contact information deleted to protect the privacy of correspondents]